



Bruce Rauner, Governor
Jeffrey D. Mays, Director

NEWS RELEASE

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Contact: Anjali Julka

anjali.julka@illinois.gov

312-793-9635

State to Issue \$16 million in Credits to Reverse Penalties for Monthly Electronic Wage Reporting

Rules provide relief for nearly 13,000 employers over the next six months

CHICAGO—The Illinois Department of Employment Security (IDES) will issue \$16 million in credits, including associated interest charges, to nearly 13,000 Illinois employers who experienced difficulties in transitioning to new wage reporting requirements under the 2012 Medicaid reform law and Department rulemaking. The Department credited \$1.5 million on Aug. 14 to approximately 4,000 impacted employers and \$14.5 million will be credited to the remaining number of employers by the end of the 4th quarter. Refunds would be issued only if the credits cannot be applied to other liabilities by Jan. 31, 2016, under a rule agreed upon by the business and labor communities.

“We are pleased to provide relief to employers who tried their level best to comply with the new e-filing wage reporting requirement but were unable to for legitimate reasons,” said Director Jeff Mays. “The Department will continue to explore ways to enhance the wage reporting system and prevent Unemployment Insurance benefit fraud to help save Illinois taxpayers hundreds of millions of dollars each year.”

In 2013, IDES implemented rules under the Illinois Unemployment Insurance Act which 1) required employers who had 25 or more employees in the previous calendar year to file electronic wage reports and 2) phased in monthly reporting through July 2014, as required under the SMART ACT, also referred to as the Illinois Medicaid Reform Act of 2012. These requirements were designed to help combat Medicaid fraud and limit eligibility to those whose incomes qualify them for the program. However, many Illinois employers experienced problems transitioning to the new requirements, and as a result, incurred penalties and interest charges.

To address this issue, the Department adopted new rules in 2014 to remove such penalties and interest. The rule retroactively aligns the electronic reporting requirement with the existing monthly reporting implementation schedule and waives up to the first two quarters of penalties for late monthly reports, as long as the employer submitted quarterly reports for that same quarter in a timely manner. Additional information on the refunds/credits to eligible employers is also available through the Employer Hotline (800) 247-4984 and through the Department’s wage reporting online tool [TaxNet](#).

About IDES

IDES is Illinois’ premier employment agency. It connects employers to jobseekers, provides unemployment insurance to eligible individuals, produces labor market data and protects taxpayers from unemployment insurance fraud. Visit the IDES website at www.ides.illinois.gov and join IDES on [Facebook](#).

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